

Article - Estates and Trusts

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§15–205.

If a check or other bill of exchange is drawn by a fiduciary or in the name of the fiduciary's principal by a fiduciary empowered to draw the instrument in the name of the principal, payable to the fiduciary personally, or payable to a third person and transferred by the third person to the fiduciary, and is thereafter transferred by the fiduciary, whether in payment of a personal debt of the fiduciary or otherwise, the transferee is not bound to inquire whether the fiduciary is committing a breach of the obligation as fiduciary in transferring the instrument, and is not chargeable with notice that the fiduciary is committing a breach of the obligation as fiduciary unless the transferee takes the instrument with actual knowledge of the breach or with knowledge of the facts that the action of the transferee in taking the instrument amounts to bad faith.

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